

Laws Steer Immigrants From Starting U.S. Businesses, Study Finds

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Strict U.S. laws are sending cues to high-skilled immigrants that the United States is not a place to start a business, driving the best and the brightest out of the country, some immigration and business advocates have warned. Now, a [new study](#) has found that immigrant-run high-tech companies have either stagnated or declined for the first time in decades.

The Kauffman Foundation study, which examined 1,882 new engineering and technology start-ups across the country, showed the proportion of immigrant-founded companies slipped slightly from 25.3 percent to 24.3 percent since 2005. A more noticeable decline occurred in Silicon Valley, the nation's high-tech hub, where new start-ups led by immigrants dipped 8.5 percentage points to 43.9 percent.

Vivek Wadhwa, one of the study's authors, has argued that current U.S. immigration policies leave foreign-born entrepreneurs with little choice but to take their innovations, jobs, and money abroad. Wadhwa has pushed for entrepreneur visas for immigrants. "Let them come and start their company and employ American workers," Wadhwa recently [told](#) a group at the Brookings Institution in Washington.

For the U.S. to continue competing in the global economy, according to Dane Stangler, director of Research and Policy at the Kauffman Foundation, the country must embrace high-skilled professionals. Immigrant-led businesses have generated \$63 billion in sales since 2006 and have hired 560,000 employees, according to the study.

"For several years, anecdotal evidence has suggested that an unwelcoming immigration system and environment in the U.S. has created a 'reverse brain drain.' This report confirms it with data," Stangler said in a statement.

While immigrant-led businesses remained flat or declined, the rates of Indian start-ups increased by about 7 percent, the study showed. In 2005, Indians and Chinese entrepreneurs accounted for 26 percent and 6.9 percent of immigrant-founded companies, respectively.

The Kauffman Foundation, headquartered in Kansas City, Mo., supports entrepreneurial efforts that aid communities. The researchers are professors from various disciplines at Duke, the University of California (Berkeley), and Stanford.

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